



ASX Release

Wednesday 24 October 2018

ASX : ACB

A-Cap Secures Approval for US\$3 Million ICBC Loan

The Board of A-Cap Resources Limited (“A-Cap” or the “Company”) (ASX: ACB) is pleased to announce that a revolving credit facility for US \$3 million with the Industrial and Commercial Bank of China Limited (ICBC) Shanghai Hongqiao Branch has been approved. This amount represents an initial loan application with ICBC, with a further US\$4 million available to be applied for at a later stage.

In a response letter to an ASX Appendix 5B query on 25 August 2018, A-Cap advised that a bank application process with ICBC for a US\$ loan facility was underway to fund operations and support the implementation of the Company’s diversified minerals strategy. The application required A-Cap to open a Free Trade Account for Non-Residents (FTN) in the Shanghai Free Trade Zone, with substantial shareholder Jiangsu Shengan Resources Group Co., Ltd (Jiangsu) providing cash-backing through a third-party bank guarantee to ICBC as the loan’s security interest over the full term of the loan.

The board considers the loan as interim funding whilst other capital raising options are advanced to ensure no disruption occurs with the implementation of the Company’s diversified minerals strategy, including new cobalt laterite projects acquisition and related exploration activities.

The key terms of the Revolving Credit Facility are as follows:

- i. Principal Amount – US\$3 million;
- ii. Loan Term – 3 years (36 months from withdrawal date);
- iii. Loan Purpose – Working Capital;
- iv. Interest rate – LIBOR 6 Monthly Interest Rate plus 1.8%;
- v. Penalty Interest Rate – the overdue penalty rate is the Borrowing Rate plus 40%; the interest rate applicable for changing the purpose of the loan is the Borrowing Rate plus 70%;
- vi. Interest Payment – 6 months in Advance;
- vii. Loan Repayment – By One Payment at any time during the Loan Term or in accordance with the Loan Amortisation Schedule – US\$100,000 by 20 December 2020 and US\$2,900,000 by 16 October 2021. In the event the Loan is repaid early, a 1% early repayment fee shall apply for each month remaining on the Loan unless the loan is repaid during the last month of the Loan Term;
- viii. Loan Guarantor – Third Party Cash Collateralised Bank Guarantee to ICBC provided by Jiangsu to the amount of US\$3 million.

The principal amount is to be transferred to A-Cap today.

For and on behalf of the Board of
A-CAP RESOURCES LIMITED



Nicholas Yeak
Company Secretary

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